

**Sunsets 1/1/2016**

**48-2c-809 Removal by judicial proceeding.**

- (1) The district court of the county in this state where a company's principal office is located, or if it has no principal office in this state, Salt Lake County, may remove a manager of a manager-managed company in a proceeding commenced either by the company or by its members holding at least 25% of the interests in profits of the company if the court finds that:
  - (a) the manager engaged in fraudulent or dishonest conduct or gross abuse of authority or discretion with respect to the company; and
  - (b) removal is in the best interests of the company.
- (2) The court that removes a manager may bar the manager from reelection for a period prescribed by the court.
- (3) If members commence a proceeding under Subsection (1) above, they shall make the company a party defendant.
- (4) Subsections (1), (2), and (3) shall also apply to enable the removal of a member in a member-managed company from having any management authority or powers on behalf of the company.
- (5) If the court orders removal of a manager or member under this section, the clerk of the court shall deliver a certified copy of the order to the division for filing.